



15 Steps to Make Your Business Legit

Ready to turn your dream of starting a business into reality?
Here's a simple checklist that will help you lay the foundation
for success.



15 Steps to Make Your Business Legit

1

Choose a business name

Choose your business name carefully and make sure it is legally available. Do an internet search to see if the name is already being used as a domain or a social media account, then consider a trademark search to avoid any legal challenges down the line. If your business name is too similar to another, you may not be able to register that name when you create a legal entity (see step 4).

2

Choose your business address

It's okay to register your business at your home address, though some owners choose to use a service such as a UPS store to give their business a location separate from their home address. Keep in mind there will be situations—such as filing a tax return—where you will have to provide a physical address for the business.

3

Get a business phone number

You may not have to get an expensive business landline from your local telecom, but you do need a number to give out to clients and customers, and it should sound professional. Consider a service that adds a business phone number to your cell phone, or get a virtual business telephone service or answering service.

4

Create your business entity

While it may be tempting to just give it a whirl as a sole proprietor, you may be taking an unnecessary risk. If your business gets into legal trouble, your personal assets could be in danger. In addition, the right entity—LLC, or S or C Corporation, for example—may offer tax advantages. It's also much easier to establish business credit and get small business financing if you create a separate legal entity.

5

Register your business

In most states, you must register with your Secretary of State, which may be part of the process when you incorporate. When you do, you'll need to identify a registered agent, who should be able to accept service of process if your business is involved in legal action. Mail may also come to the registered agent so choose an individual or service that will reliably forward it to you.

6

Get licenses and permits

Not sure what you will need? Find your local Small Business Development Center (SBDC) at AmericasSBDC.org to discover free and low-cost resources for small businesses. The Secretary of State website in the state where you incorporate your business may help you understand the permits you need.

7

Request an employer identification number (EIN)

An EIN is also known as a Federal Tax Identification Number, and is used to identify a business entity. Your business may need an EIN; it will if you form a legal entity. (Check IRS requirements for details.) You can request one for free online at IRS.gov.

8

Open a business bank account

Commingling business and personal funds can create all kinds of tax headaches and create personal liability if your business is incorporated (this is known as “piercing the corporate veil”). Opening a separate business bank account used exclusively for business purposes will help keep your finances straight and may make it easier to qualify for business financing.

9

Consider getting a business credit card

Not only will this help you easily identify business purchases come tax time, but most business credit card issuers do not report activity to the owner's personal credit unless they default. See our chart describing the policies of major issuers at nav.com/report. This can help protect your personal credit from the activities of your business.

10

Set up your books

You'll need to keep track of business expenses and income. If you don't know how business accounting works, make sure you work with a reputable bookkeeper or accountant. Starting your business bookkeeping out on the right foot will save you an enormous amount of time in the long run.

11

Get a D-U-N-S number

This number will be used to identify your business in the Dun & Bradstreet commercial credit database. You can request a D-U-N-S number for free.

12

Establish business credit

Your business can build its own credit history separately from your personal credit, which will help you get the financing you deserve. Start by opening accounts with companies that allow you to make purchases on a net-30 basis and report payments to credit bureaus such as Experian or Dun & Bradstreet. As you make purchases and pay them on time, you'll begin to build a good business credit score. The sooner you do this the better, as age of accounts is an important credit score factor. You can find more resources on business credit scores at nav.com/credit.



13

Get insurance

Business insurance is designed to keep you in business when losses come along. Without the right coverage, the high costs of lawsuits, property damage or employee injuries could bankrupt a new or growing company. Every business has different needs, but some of the most popular coverages include general liability, property, workers' comp and commercial auto – and some of these can be bundled together to save money.

14

Create a website

Depending on your type of business, you may only need a basic website where prospective clients or customers can learn a little bit about your business and how to contact you—but not having one at all will likely hurt your business.

15

Register your business with online services

You can register your business on search engines such as Google and Bing so it appears in online searches, which is especially important if your business has a physical address and specific business hours. Also, register social media accounts for your business—even if you don't plan to use them yet—and consider registering with review sites relevant to your business, such as Yelp or TripAdvisor.

Though laying the groundwork for your business isn't the most glamorous part of business ownership, it can significantly boost your likelihood of success.



Small business owners and aspiring entrepreneurs can go to their local SBDCs for free face-to-face business consulting and at-cost training, on topics including business planning, accessing capital, marketing, regulatory compliance, technology development, international trade and much more.

SBDCs are hosted by leading universities, colleges, state economic development agencies and private sector partners, and funded in part by the United States Congress through a partnership with the U.S. Small Business Administration.

There are nearly 1,000 local centers available to provide no-cost business consulting and low-cost training to new and existing businesses. Find your local SBDC today!



Brought to you by Nav. Free financing tools and resources at [Nav.com/SBDC](https://nav.com/SBDC).

Copyright 2021, Nav Technologies Inc.